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CENTRAL INTELLIGENCE GROUP

INTELLIGENCE REPORT

China COUNTRY

CONFIDENTIAL DATE:

25X1A

SUBJECT

25X1A

Pelitical Information This document is thereby regraded to Third Party in North COMFIDENTIAL in accordance with the tiller of 16 Coloher 1873 from the PAGES n who intelligrance a Las and Claur.

DIST. Z August 1947

SUPPLEMENT

ORIGIN 25X1X

At a dinner given fer Americans and Chinese by the Political Section of SUN Lien-chung's 11 War Area Hqs. in Peiping, Chinese efficers said they anticipated that the Communists would be in central of North China in a matter of two or three menths. One Chinese officer said he was werried as to what to do for the safety of his wife and family in Peiping. He said that rather than send them south, he was thinking of sending them aver to the Communists now.

The Chinese officers made suggestions which indicated the possible creation of a third political party in North China, which would be able to bargain with both sides.

(American Observer Comment: The suggestion of a "third party" / That is an autonomous government/ in North China may be another carefully timed rumer spensored by the Nationalists in the hope of stampeding American spinion, similar to the build-up of the Sinkiang incident. However, there are historical precedents for a separatist mevement in North China; in fact, one of Chiang Rai-shok's early and urgent tasks was the elimination of autenomous "war lerds" in the North China area. Therefore, now that the Generalissimo's prestigs is waning, the possibility of the recrudescence of "war lord" rule in North China cannot be excluded.

The pessibility that the Communists would hence any agreement which might he reached with such an autonomous government is remote; however, this sould not necessarily dater an autonomous government from attempting to reach an agreement with them in time-homored Chinese tradition.)

Document No. Class Auth:

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